



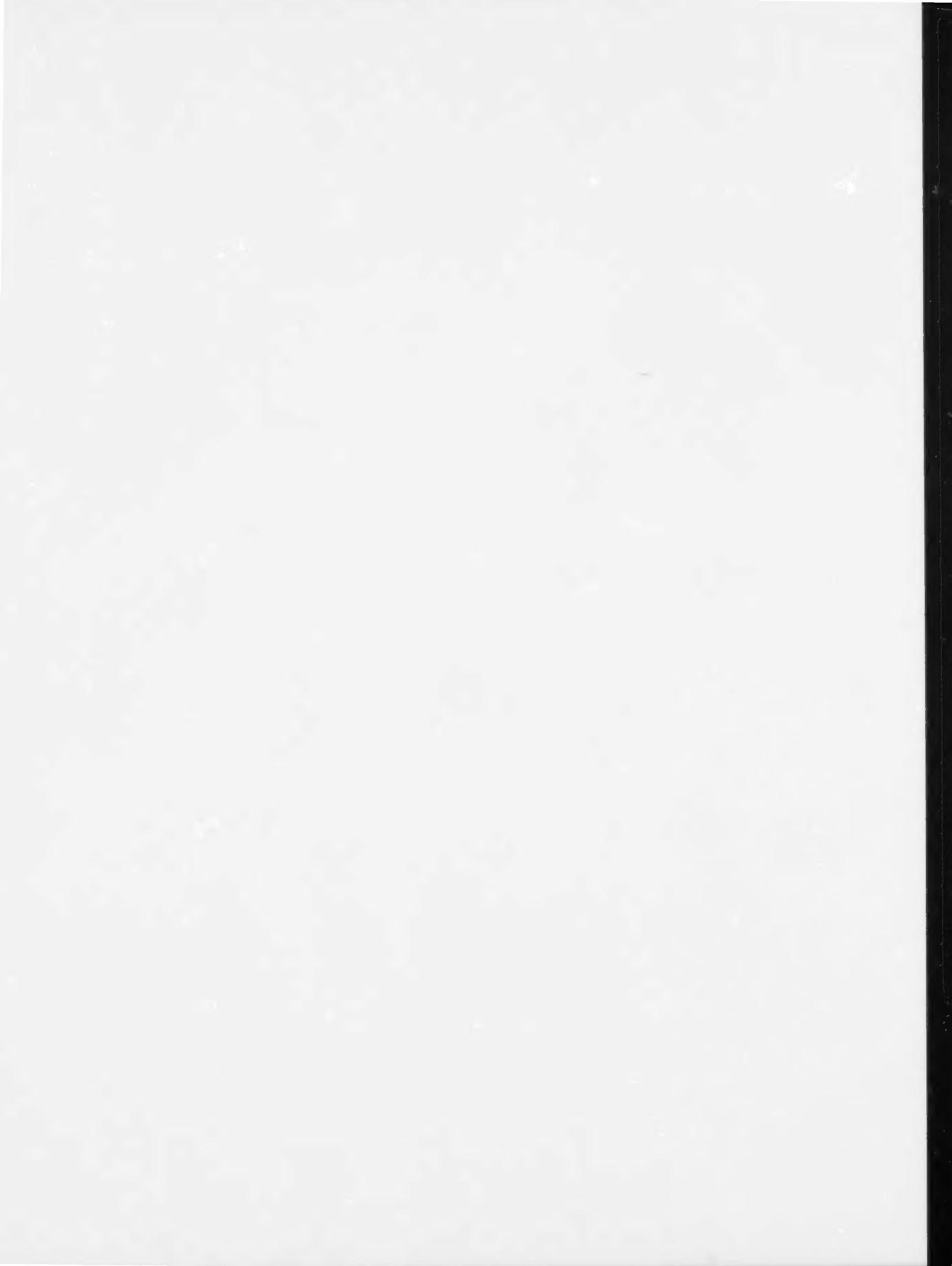
Agriculture
and Forestry



**ANNUAL REPORT
1998 -99**

Annual Report - 1998

*The mandate for the department is
"to contribute to economic and community
development throughout Prince Edward Island by
promoting the continued operation and growth of
successful, sustainable farming and forestry
businesses, and promoting quality in
Island primary products."*



The areas in which it is critical for the Department of Agriculture and Forestry to have acceptable results are:

- **Quality of advice assistance and information to clients in:**
 - production management
 - product quality
 - business and financial management
 - environmentally sustainable management practices
 - processing, marketing and business opportunities*
 - resource management and conflict resolution
 - occupational health and safety
 - industry leadership and organizational development
- **Fairness, equitability and quality of department programs and services**
- **Client satisfaction**
- **Quality of monitoring of department results and client results**
- **Influence on decisions of other governments and agencies affecting department clients**
- **Cost effectiveness and the condition of the department's finances**
- **Impact on stability of primary resource sector income in response to market and environmental influences**
- **Impact of department programs and services on the quality of the environment and on the health and safety of people**
- **Quality of legislation and its enforcement**
- **State of Crown lands and assets**
- **Staff morale**
- **Occupational health, safety and welfare of staff**
- **Public satisfaction with the department**
- **Relationships with suppliers, contractors and other agencies**

** Except to the extent that another agency is charged with specific responsibility.*

MISSION



*Prince Edward Island Department of Agriculture and Forestry
Charlottetown, 1998*

*To the Honourable Gilbert Clements
Lieutenant Governor of Prince Edward Island*

Sir:

I have the honour to submit herewith the 1998 Annual Report of the Department of Agriculture and Forestry.

*I have the honour to be, Sir
Your obedient servant,*

Eric Hammill
Eric Hammill, Minister
Agriculture and Forestry

The Honourable Eric Hammill
Minister of Agriculture and Forestry

I am pleased to submit this report of activities of the Department of Agriculture and Forestry for the fiscal year ending March 31, 1999, along with the year-end budget summary.

The department continues to pursue its strategic directions and to work closely with the agriculture and forest industries to ensure their sustainable growth and development. One of the highlights of the past year was the implementation of the recommendations of the Round Table on Resource Land Use and Stewardship. The implementation of a number of measures will help to increase the contribution of our resource lands to the economy, minimize land use conflicts, increase public satisfaction and enhance the sustainability of our most important natural resource. The department has implemented the vast majority of those recommendations for which it is responsible.

One of the other highlights of the past year was the announcement of a new Food Strategy for Prince Edward Island. The Food Strategy is based on the production of high quality, high value food and agricultural products from sustainably managed resources. It will include an initiative to build global recognition of the "PEI Brand." Environmental responsibility will form a central theme of the new marketing strategy.

To help those farmers facing financial difficulties, the department, in cooperation with the federal government, established a disaster assistance program to supplement its existing net programs.

The department has worked closely with the Forest Stewardship Council to develop a Forest Code of Practice to address issues such as high softwood harvest levels and inadequate reforestation. Unless action is taken, the long-term sustainability of our forest industry and of the forest itself will be jeopardized.

The department remains committed to making the most effective use of its financial and human resources to serve the agriculture and forest industries during a period of change and development.

Respectfully submitted,



Rory Francis
Deputy Minister

Lettre adressée à Eric Hammill
Ministre de l'Agriculture et des Forêts

Monsieur le ministre,

J'ai l'honneur de vous présenter le rapport d'activités du ministère de l'Agriculture et des Forêts pour l'exercice financier se terminant le 31 mars 1999 ainsi que le sommaire budgétaire de fin d'année.

Le ministère poursuit ses objectifs stratégiques et travaille en étroite collaboration avec les secteurs agricole et forestier en vue d'assurer leur croissance et leur développement à long terme. L'un des points saillants de la dernière année a été la mise en oeuvre des recommandations formulées par la Table ronde sur la gestion des terres exploitables. La mise en oeuvre de certaines de ces mesures devrait permettre d'accroître la contribution économique de nos ressources en terres, de diminuer les conflits liés à la gestion des terres, d'augmenter la satisfaction du public et d'assurer la viabilité de notre plus importante ressource naturelle. La plupart des recommandations ont déjà été mises en oeuvre par le ministère.

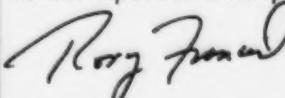
Un autre point saillant de l'année qui s'achève a été l'annonce de la nouvelle Stratégie alimentaire de l'Île-du-Prince-Édouard. La Stratégie alimentaire est fondée sur la production de produits agro-alimentaires supérieurs et de qualité grâce à une gestion intégrée des ressources et comprend un projet visant la reconnaissance d'une « Marque I.-P.-É. » à l'échelle mondiale. En outre, l'axe central de la nouvelle stratégie de mise en marché sera la responsabilisation environnementale.

Pour venir en aide aux agriculteurs aux prises avec des difficultés financières, le ministère et le gouvernement fédéral se sont unis pour mettre sur pied un programme d'aide aux agriculteurs en cas de désastre, qui vient s'ajouter aux programmes d'aide déjà existants.

Enfin, le ministère a travaillé de pair avec la Commission de coopération forestière en vue d'élaborer un code de bonne pratique dans le domaine forestier visant les questions telles le taux élevé de coupe de résineux et le reboisement inadéquat. À moins d'une intervention immédiate, la viabilité à long terme de notre industrie forestière et même de la forêt pourrait être compromise.

Le ministère continue d'utiliser ses ressources humaines et financières le plus efficacement possible pour se mettre au service des secteurs agricole et forestier en cette période de changement et d'évolution.

Le tout respectueusement présenté,



Rory Francis
Sous-ministre



1998
IN
REVIEW

The Prince Edward Island agriculture and forest industries continue to face the challenges of economic and environmental sustainability. Commodity prices continue to lag costs, and there is growing pressure to increase production, thereby putting greater pressure on financial margins and impacts on the resource base. To meet these challenges, government and industry have begun implementation of the recommendations of the Round Table on Resource Land Use and Sustainability, and a new Food Strategy initiative to move from the increasing production of commodities to high quality, high value food and agricultural products from sustainably managed resources.

The department implemented the major recommendations from the Round Table, including the establishment of a long-term soil quality monitoring program; support for Environmental Farm Plans; and the adoption of new manure management guidelines. It also announced the establishment of a new Farm Practices Review Board to develop codes of practice, and buffer zone legislation to protect watercourses.

In an effort to protect and enhance the quality of Island products, new swine import regulations were adopted and a mandatory post-harvest potato virus testing program was introduced.

The department, in cooperation with the Forest Partnership Council, developed a forest harvest Code of Practice. It would replace the previous system of voluntary compliance, which was not widely adhered to by contractors. The proposed new code would be subject to additional consultations with the industry and land owners.

Farm cash receipts increased in 1998 to \$308 million from \$274 million the previous year, largely because of increases in potato prices. These were somewhat offset by significantly lower hog prices in the latter part of the year, and would lead to the establishment of a number of new measures to provide financial support to producers. There were moderate increases in beef and dairy receipts.

The department continued its efforts to diversify agricultural production. In addition to the blueberry and cranberry development programs, new measures were put in place to increase cauliflower production. The fruit industry also continues to expand.

An estimated 635,000 m³ of wood was harvested in 1998, with a total delivered product value of \$29.4 million. Pulpwood shipments continued to decline for the third year in a row, while markets for sawlogs increased. Hardwoods continued to gain market share, particularly in the oriented stand board market. The amount of fuelwood continued to decline, with an estimated 100,000 m³ utilized during the year. Island Christmas trees continued to capture the bulk of domestic sales; an estimated 16,000 trees were sold in 1998. Secondary processing of forest related products is estimated to contribute over \$10 million to the provincial economy.

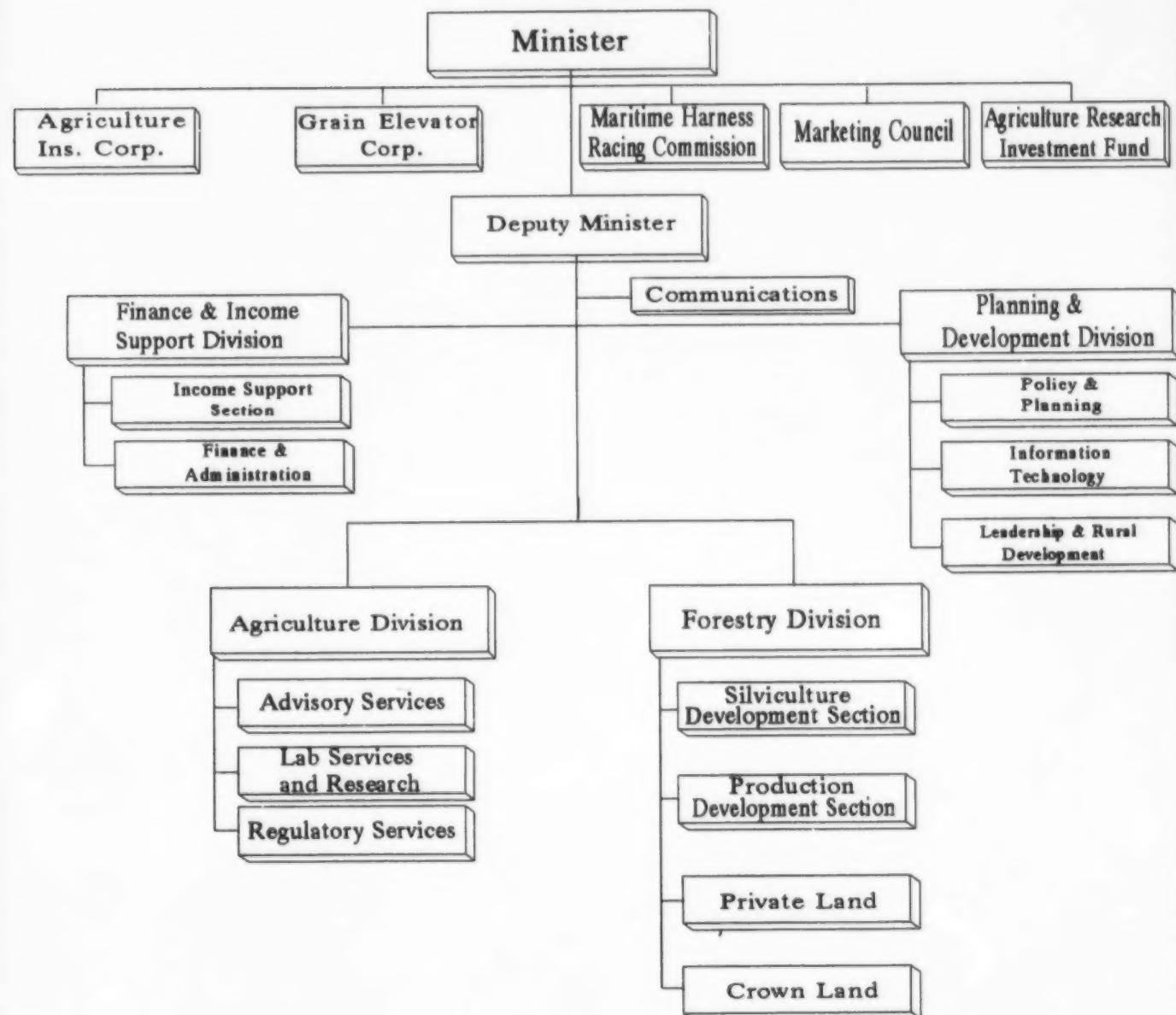
The budget of the Department of Agriculture and Forestry increased again in 1998-99 to reflect government's renewed commitment to the primary industries. Some of the increase resulted because of higher contributions to agriculture safety net programs.

The Department is responsible for the administration of the following Acts:

Agricultural Insurance Act	Grain Elevators Corporation Act
Agricultural Products Standards Act	Livestock Community Auction Sales Act
Agrologist Act	Maritime Harness Racing Commission Act
Animal Health and Protection Act	Natural Products Marketing Act
Apiary Inspection Act	Plant Health Act
Artificial Insemination Act	Potato Lien Act (when proclaimed)
Dairy Industry Act	Poultry and Poultry Products Act
Dairy Producers Act	Veterinary Profession Act
Dog Act	Weed Control Act
Farm Implement Act	Women's Institute Act
Farm Practices Act (when proclaimed)	
Fences and Detention of Stray Livestock Act	
Forest Management Act	

**Ministry
of
Agriculture
and Forestry
Acts**

Department of Agriculture and Forestry



Introduction

The Department of Agriculture and Forestry is committed to the sustainable development of farming and forestry businesses which contribute to rural communities and the economy of Prince Edward Island. Our clients are the people whose livelihoods depend on the primary resources; they are the core of our rural communities and the economy. Recognizing and responding to the many challenges and changes are critical to the department, to the primary resource industries and to the ways they work together.

To guide its direction and priorities in the last few years of the century, the department is operating according to the corporate and strategic plan developed in 1995. The strategic plan identified a number of goals for the department as a whole and for each of its divisions. The goals are those areas where the department is committed to achieving significant improvements as well as maintaining its current level of performance in other areas. In the spring of 1997, a midterm review of the Strategic Plan was conducted. Priority goals were adjusted to reflect developments in the sectors and society. The department has also identified standards it wants to achieve, and the means to measure them.

In so doing, the department has established a new standard of accountability for itself and its staff.

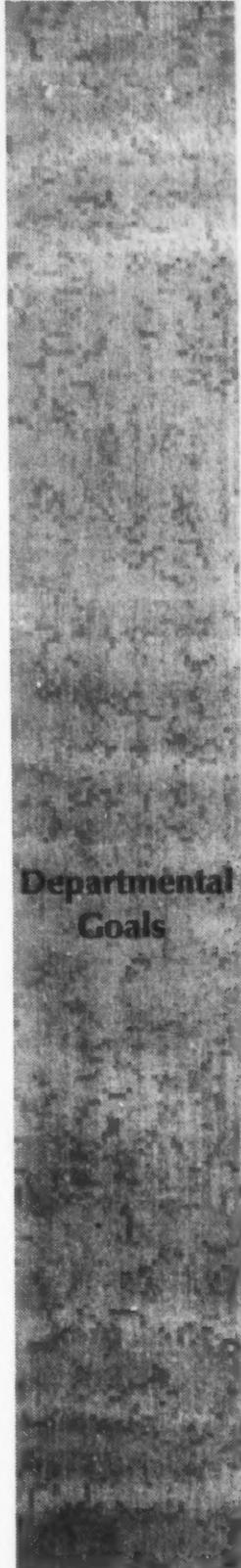
With a philosophy of "What gets measured get done," the department has been reporting to the Legislative Assembly, and through it, to the people of the province, its progress towards its stated goals. This year's annual report outlines the department's current priority goals and provides those measures against which future results will be compared.

The department has six major goals:

- to increase public satisfaction with the department;
- to improve the quality of advice, assistance and information to clients in agriculture and forestry;
- to increase our catalytic influence in the following areas:
 - On client results in strategic and value-added opportunities;
 - Our results with agencies and other governments who affect our clients;
- to improve the quality of legislation and enforcement;
- to improve the satisfaction of department clients with programs and services;
- to improve staff morale.

The department provides a wide range of programs, services and information to its clients to assist them in their businesses. To measure the level of client satisfaction, in the fall of 1998, the department conducted a survey among clients in the sectors served by the department. The objective of the survey was to measure the current level of client satisfaction with programs and services and the quality of advice, assistance and information the department provides. The survey has provided us with a progress report on how we are doing in the eyes of our clients compared to previous years.

The 1998 results show that the overall level of satisfaction was 75 percent, up from 68 percent in 1995, but down somewhat from the 82 percent satisfaction level reported in 1997.



Departmental Goals

The overall level of client satisfaction with the Agriculture Division increased to 69 percent from 64 percent over the past three years, with a peak of 82 percent in 1997. The areas of greatest satisfaction were dairy lab services, farm safety, other technical programs and services, and performance of division staff, all with a level of satisfaction of more than 80 percent. Of these, none exceeded the 90 percent target. Areas of least satisfaction were with marketing, processing and business opportunities, crop production, livestock production, and environmentally sustainable farm management practices.

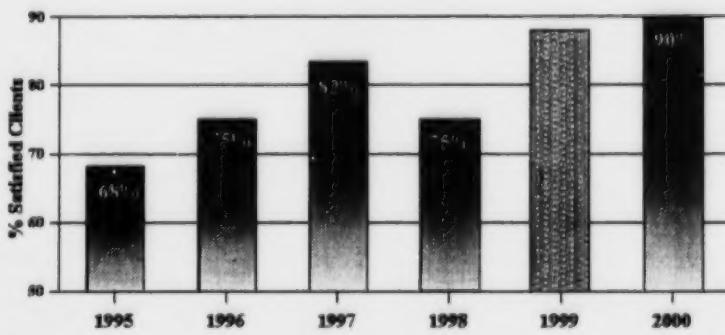
For Forestry clients, the overall level of satisfaction was 81 percent, a slight decline from the 83 percent level reported in 1997. The areas showing greatest satisfaction from clients were performance of division staff, quality of seedlings, forest inventory information, forest management advice and assistance, and following environmentally sustainable practices. The area of least satisfaction was in production of forest products — the only area falling below 80 percent satisfaction level.

Clients in each sector indicated a high level of satisfaction with staff performance which is a positive indicator that the department is on its way to improving results in all areas.

The department has implemented a number of strategies to improve the results for both client satisfaction and the quality of advice, assistance and information. The department's monitoring team is measuring results obtained for each of the goals outlined in the Strategic Plan 1995-2000.

Im prove Client Satisfaction

PEI Department of Agriculture and Forestry



Departmental Goals	Measure	Standard	1994	1995	1996	1997	1998
To increase public satisfaction	% public satisfied						
To improve the quality of advice, assistance and information to clients	% clients satisfied	90%		77%	79%	86%	78%
To increase our influence on client results in specific areas	under development						
To increase our influence on our results in specific areas	% clients satisfied	90%					
To improve quality of legislation, enforcement	% clients satisfied	90%		42%	58%	71%	63%
To improve satisfaction of clients	% clients satisfied	90%		68%	76%	82%	75%
To improve staff morale	% staff satisfied	90%	70%	75%	80%	81%	79%

The department recognizes the need to improve communications to and among clients and to the public regarding the province's primary resource industries and the department's programs and services. As part of the strategy to improve communications, the department has been producing and broadcasting a weekly television program "Focus on Resources" since February, 1996. This program won a regional award for excellence in programming in 1997 and was nominated for a national award in 1998.

The data obtained from the survey has also enabled the department to implement measures for improvement in its cost effectiveness. It is important that the department's results be achieved in a cost effective manner, and to ensure a degree of flexibility for new initiatives. The department is committed to making the most effective use of its staff and financial resources. To this end, a framework for program evaluation has been adopted for departmental programs.

Advocacy and representing the interests of clients to the federal government, other departments, agencies and private sector institutions, is one of the department's key goals. It is critical that the outcomes of these discussions support the best interests of department clients.

Staff morale and job satisfaction must be at a high level if the department is to improve the quality of its services and achieve acceptable results in other areas.



Staff satisfaction with factors affecting their job has risen from 70 percent in 1994 to 79 percent in 1998. Staff satisfaction with respect to the department's adherence to values and principles has also increased from 74 percent to 75 percent.

A Human Resource Development Plan has been developed to update technical and professional staff, improve results and recognize achievement. As part of this program, staff are operating under individual Professional Development Plans which identify expected results, training requirements and other measures to improve performance and staff satisfaction. The department is also committed to maintaining and, where possible, improving its current level of performance in all other areas of its responsibility as outlined in its mission statement.

The department is forecasting to meet its financial objectives for the year and remain within budget. At the same time, it has ensured that resources are directed to areas of high priority that assist in improving or maintaining identified results.

1998-99 Actual Expenditures and Revenue

	Expenditures	Revenue	Net Cost
Finance	\$1,175,819	\$11,210	\$1,164,609
Planning & Development	\$2,172,478	\$10,063	\$2,162,415
Agriculture	\$8,199,182	\$1,290,524	\$6,908,658
Income Support	\$3,746,158	\$303,134	\$3,443,024
Forestry	\$3,886,417	\$729,140	\$3,157,277
TOTAL	\$19,180,054	\$2,344,071	\$16,835,983

Finance and Income Support Division

The Finance and Income Support Division provides financial and administrative services to departmental personnel in the areas of:

- financial management
- personnel administration
- human resource development
- administrative support services
- auditing

The following Farm Safety Net Programs are also administered by this division:

- Basic Net Income Stabilization Program (NISA)
- Enhanced NISA
- Crop Insurance Yield Guarantee Program
- Crop Insurance Bacterial Ring Rot Protection Plan
- Commodity Diversification Risk Protection Program
- Agricultural Disaster Insurance Program (ADIP)

Finance and Administration

The Financial Services unit continues to assist departmental leaders and other personnel with the budget process and regular financial reviews. As well, this unit has the overall responsibility for the accounts payable and accounts receivable functions of the department including financial claiming activities under federal-provincial agreements. During this fiscal year, particular emphasis was placed on the review of internal procedures for the collection of revenue. On-going support is also provided to departmental users of the ORACLE Financial Information System.

The Administrative Services section serves the department's needs by providing advice, assistance and departmental co-ordination in the areas of risk management, vehicle fleet management, telecommunications system administration, contract management and reporting requirements, accommodation requirements, records management activities, as well as the provision of reception and courier services.

As an organization, the Department of Agriculture and Forestry is strongly committed to the development of its employees in response to the needs of the department as well as the needs and preferences of individual employees and clients of the organization. This belief was demonstrated by the implementation of a Human Resource Development Plan that makes provision for opportunities in the way of effective orientation, performance planning and evaluation, educational leave, leadership development, and employee recognition.

During the past year, three employees have engaged in Masters programs that will give them a new knowledge and skill base that will support the department in its attempt to meet client needs. Our organization has identified thirty-one (31) full and part-time positions that will be filled as part of the province's



move to permanently create work that is required by the department on an on-going basis.

Approximately 20 percent of departmental staff have had the opportunity to work on temporary assignments both within and outside the department, have been newly appointed to a permanent position, or have been reclassified or transferred. This mobility is a reflection of the importance that is placed on developing staff and moving into the future in a planned and strategic manner.

The Human Resource Section continues to process both casual and permanent payroll as well as maintain the leave system for all departmental employees.

Staff Mobility

Movement Type	Division	# of employees
Appointments	Agriculture Finance and Income Support	2 2
Temporary Assignments/ Secondments	Agriculture Planning and Development Other Departments	11 3 2
Promotions/Transfers	Agriculture Planning and Development Finance and Income Support	1 1 1
Acting Appointments	Agriculture Planning and Development Forestry	1 3 2
TOTAL		29

POSITION ESTABLISHMENT (as of March 31, 1998)

	Full Time	Part Time
Finance & Administration	14	0
Planning & Development	18	6
Agriculture	66	4
Income Support	6	4
Forestry	28	18
TOTAL	132	32

In addition to the above established permanent positions, the department also employed 139 casual employees and 16 students.

Income Support Programs

The Income Support Section supports Prince Edward Island agriculture through the delivery and funding of agricultural safety net programs. The 1998-99 year was the final year of a three year federal/provincial agricultural safety net program agreement. This agreement includes a cost sharing formula, in which the federal government will contribute 1.5 times the provincial contri-

bution, up to the maximum allowable within the federal safety net envelope. The package of programs, which is intended to assist in reducing the impact of unpredictable income reductions for individual farmers, consists of:

- Basic Net Income Stabilization Account (NISA)
- Enhanced NISA
- Crop Insurance Yield Guarantee Program
- Crop Insurance Bacterial Ring Rot Protection Plan
- Commodity Diversification Risk Protection Program
- Agricultural Disaster Insurance Program (ADIP)

The objective for the year was to negotiate a new federal/provincial safety net funding agreement to take effect in April, 1999. During the previous three-year period many approaches were tried across Canada such as enhanced or multi-tier crop insurance, whole farm income disaster protection, self directed risk management, enhanced NISA and development programs. Due to the limited amount of data available to perform detailed analysis, Canada and the provinces agreed to a one year extension of the existing agreement.

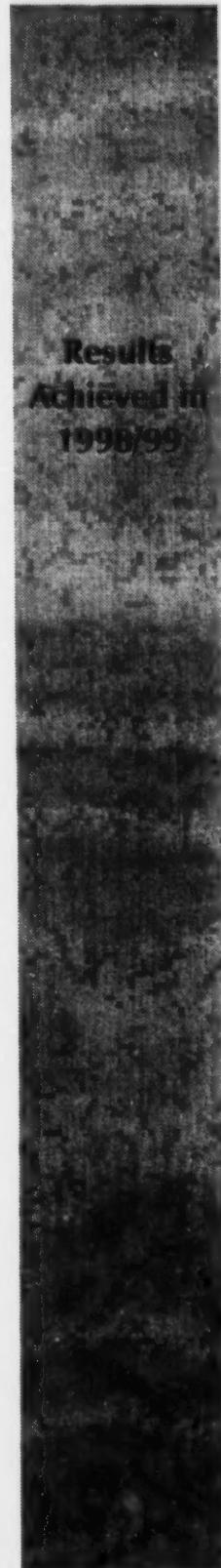
During the year the price for hogs dropped beyond all expectations and some components of the western grain industry suffered unexpected price declines. It appeared that the current programs would not be able to handle such a disaster based on current budgets. Canada and the provinces negotiated to implement a national Agricultural Income Disaster Assistance Program based on additional funding. This program enhances the support provided by ADIP.

Crop Insurance premiums were reduced based on the surplus in the fund. The amount of acres insured increased significantly, mostly in grain. Blight infestation and a wet harvesting season combined to cause numerous storage losses, however, the insurance reserve was maintained at the same level.

A new Commodity Diversification Risk Protection plan was implemented to provide crop insurance for a new cauliflower production venture through Island Quality Vegetables Inc. This project had some startup problems but overall went quite satisfactorily.

NISA participation increased during the year and participants used the program to stabilize their income. Withdrawals increased significantly but the overall balance held by producers still increased, but much more slowly.

ADIP participation increased and so did payments. The program was adjusted to partially cover negative margin losses, to increase the payment per farm and to deduct a 30 percent co-insurance component to address program shortcomings discovered during the first two years.



**Results
Achieved in
1998/99**

CROP INSURANCE PROGRAM Yield Guarantee						
Crop Year	Farms (#)	Contracts (#)	Acres (#)	Coverage (\$)	Premiums (\$)	Indemnities (\$)
1998/99	176	396	37,721	25,099,340	1,486,431	1,706,544
1997/98	151	344	26,665	23,969,615	2,171,834	822,607
1996/97 *	147	370	25,518	21,015,561	2,038,515	1,946,898
1995/96	163	379	24,037	23,730,283	2,212,617	1,482,610
1994/95	155	369	22,867	22,629,486	2,462,432	1,990,495

* Total coverage is decreased due to no tobacco grown or insured in 1996

BACTERIAL RING ROT PROTECTION					
Year	Number of Farms	Potato Acres Insured	Insured Value	Premiums (\$)	Indemnities (\$)
1998/99	21	5,074	\$651,295	\$32,565	0
1997/98	21	3,590	\$601,425	\$30,071	0
1996/97	36	8,121	\$1,014,563	\$50,628	\$54,319
1995/96	52	11,214	\$1,424,432	\$71,243	0
1994/96	52	11,214	\$1,424,432	\$71,243	0

COMMODITY DIVERSIFICATION RISK PROTECTION PROGRAM					
Year	Number of Farms	Acres Insured	Insured Value	Premiums (\$)	Indemnities (\$)
1998/99	11	85.3	\$90,554	\$19,922	\$6,294

AGRICULTURAL DISASTER INSURANCE PROGRAM				
Year	Applicants (#)	Eligible Income (tax year)	Average Margin (\$)	Support Paid (# paid)
1998/99	194	\$70,298,453 ('97)	\$131,100	\$1,266,129 (63)
1997/98	198	\$90,043,898 ('96)	\$145,759	\$1,179,040 (49)
1996/97	190	\$76,603,412 ('95)	\$152,352	\$ 297,044 (16)

NET INCOME STABILIZATION ACCOUNT					
Year	(#)	Approximate Qualified Net Sales (tax year)	Provincial Contribution	Withdrawals by Producers	Account Balances
1998/99	816	\$209,311,000 ('97)	\$2,152,800	\$8,582,675	\$33,383,482
1997/98	745	\$181,005,000 ('96)	\$1,929,000	\$3,850,043	\$27,996,000
1996/97	707	\$179,434,000 ('95)	\$1,873,700	\$1,476,727	\$19,523,000
1995/96	638	\$153,022,000 ('94)	\$ 790,000	\$ 510,765	\$9,658,000

Provincial contribution is two percent of Eligible Net Sales (one percent for 1994) plus our share of the interest bonus.

Planning and Development Division

The Planning and Development Division is comprised of three sections, Information Technology, Policy and Planning, and Leadership and Rural Development, which are dedicated to providing staff services to line divisions of the department and to a number of organizations with a rural development focus. The division is committed to improving results in all the department's key goal areas.

Policy and Planning Section

The section is committed to improving the quality of advice, assistance, and information to internal clients (including the Minister and Deputy Minister) and on occasion provides assistance to external clients. Staff of the section are committed to influencing the decisions of other departments and agencies leading to improved outcomes for their clients.

The section has been involved in a number of substantive policy development and data analysis initiatives in 1998-1999. The majority of the recommendations of the Report of the Round Table on Resource Land Use and Stewardship have, or are being implemented. Resulting from the Round Table recommendations, the Farm Practices Act will soon be proclaimed and the Farm Practices Review Board membership established. The Department is also beginning the implementation of the new Prince Edward Island Food Strategy.

Due to a 1998-1999 farm income crisis, the section provided assistance to the Income Support section during the negotiations and implementation of the federal/provincial Agricultural Income Disaster Assistance program (AIDA). This program further complements the mix of safety net programs offered by the province. The section remains committed to the completion of negotiations of a new safety net options for fiscal year 2000/2001 and beyond.

The Division is involved with federal/provincial committees including agri-food inspection; food safety; climate change; and biotechnology. Staff involved in safety net negotiations are also working with the federal government in the



identification of additional funds for the department's recently announced Food Strategy.

Throughout the year advice, information and assistance was provided to clients regarding World Trade Organization negotiations, a dairy panel ruling and the threat of beef countervail. Other issues included the interpretation of provisions in Chapter Nine of the Agreement on Internal Trade; limits on milk distributors licences involving Nova Scotia processors; the export of seed potatoes to Mexico; and the development of export market opportunities for genetically-improved seed potatoes. Assistance was provided to the Atlantic Dairy Livestock Improvement Corporation with special emphasis on strategic planning.

Strategies and plans continue to be implemented in program evaluation, policy analysis, data management and results measurement. Work is continuing with the corporate monitoring functions of clients and staff. Staff have provided advice, assistance and information to clients regarding bench marking and needs assessments studies. An evaluation of the Atlantic Veterinary College diagnostics and virology contract was completed.

Analysis was undertaken in cooperation with the Prince Edward Island Marketing Council in the supply managed commodities as the dairy industry works to negotiate components of the P-6 agreement and as chicken and egg producers continue to discuss next generation supply management.

The Division also works with other departments in matters pertaining to program planning and evaluation.

Information Technology Section

The Information Technology Section's mandate is to assist the various divisions and sections of the department by providing cost effective, efficient mechanisms through which information can be managed and programs and services can be delivered to clients.

The Geographical Information System (GIS) is a computerized mapping and analysis tool that is used to aid in decision making related to the province's natural resources and their use. This technology provides the analytical capability required to support multi-level decision-making aimed at integrating environmental and economic objectives in primary resource planning. Information bases presently available include the 1935, 1980 and 1990 forest inventory; soils of Prince Edward Island; Island-wide two metre contour layer; natural areas; and the Prince Edward Island base map. Projects completed included the 1995-98 agricultural land use survey utilizing satellite information; development of various GIS applications delivered via the Department's intranet (forest plantations, engineering, pesticide permits); Environmental Farm Plans; 10, 20 and 30 metre water buffer zone layer; and updates of the 1997 forest and agriculture boundaries.

The World Wide Web continues to grow in importance as a tool for dissemination of information to department staff and clients. The past year has seen the development of a world class web site, the Agriculture Information Centre, for use by the agriculture and forest industries.

Preparations for Y2K continue. Much of the Department's information technology resources have been, and will be, utilized to be minimize the risk to com-

puter systems and information. Software and hardware have been tested to ensure that on January 1, 2000 and after, all systems will function normally.

Participation at Information Technology Week, an initiative of the provincial government and several private sector partners, was another major project for the IT Section. Staff demonstrated the Department's use of technology in areas of Geographic Information Systems, the World Wide Web and the client server.

The department operates three local area networks (LANs) at the 5th floor Jones, the Research Station and Upton Road Forestry office that provide network service and connectivity with the government wide area network (WAN) to approximately 140 workstations. Major upgrades to these networks and workstations were undertaken in 1998 providing improved workstation speed, security and efficiency for staff.

Women's Institute

The Federated Women's Institute of Prince Edward Island, officially organized under the Department of Agriculture in 1913, represents a membership of nearly 2000, and is recognized as having the second largest membership in Canada, second only to Ontario. The Provincial Board of Directors consists of 18 volunteers from across the province.

Women's Institute, an educational organization focusing on the family, personal growth and community action, is responsible for numerous activities/projects and awards, and has a national and international affiliation through the Federated Women's Institutes of Canada and the Associated Country Women of the World.

Strategic planning sessions and leadership development workshops are held annually. In 1998, Women's Institute teamed up with the Consumers Association of Canada to hold literacy awareness workshops across the country. The goal of the literacy project was to make rural communities more aware of the problem and to design projects to help those with low literacy skills. PEIWI branches participated. As a result of this project, Belmont WI opened a Learning Centre for reading, math and grammar skills and provided computer assisted one-on-one help for both adults and children free of charge.

Women's Institute is responsible for implementing Buy ... P.E.I., a program designed to increase consumer awareness of our quality agriculture, fisheries and forestry food products. Point of purchase indicators are evident in stores and negotiations are ongoing to start retail flyer promotions and have signage displayed at entry points.

In another agriculture initiative, From Farm to Table, activity books are distributed to all Grade 3 school children on Prince Edward Island to acquaint them with the agriculture, fisheries and forestry industries in our province and to raise their awareness of the importance of our primary resources to our province and its economy.

The 26th annual Roadside Cleanup was held in May, with the theme "Be Island Proud ... Keep it Clean." The second "Litter Awareness Week," first initiated by Women's Institute, was held in September and helps create awareness year round.



Prince Edward Island School Milk Foundation

The School Milk Foundation ensures that white milk is provided, at the lowest possible prices, to schools for students in grades 1-12 inclusive, and provides materials and programs for nutrition education. Departmental staff provide advice, assistance and information to the Foundation in planning, coordination and program implementation. Students at 67 schools consumed 781,913 servings of white milk at a total wholesale value of \$243,366 during the 1997-98 school year. The "Club Moo" promotional program offers milk consumption incentives and nutrition education activities to grades 1-6. A "peel ticket" promotion encouraged grades 7-12 students to continue milk consumption.

Agriculture Division

The goals of the Agriculture Division include:

- Improving the quality of advice, assistance and information to clients;
- Improving its cost effectiveness;
- Improving public satisfaction in areas where the Department has responsibility;
- Improving client satisfaction;
- Improving staff performance;
- Increasing the positive influence of programs and services on the environment; and
- Improving the effectiveness of safety net programs.

The resources of the division were focussed on making measurable progress toward the achievement of these goals. The means by which the specific work units within the division carried out programs and activities in support of the goals is outlined.

More than 820 farm managers, representing more than 25 percent of the province's farms, participated in Farm Business Management (FBM) sessions or programs in 1998-99. Nearly all attendees stated that they had learned how to improve farm operation's efficiency and gained business insights regarding the ever changing farm economy. Positive evaluations were received from session participants and they requested additional opportunities to learn about and discuss the many challenges they face as farmers.

There were more than 46 organized information exchanges funded through the Canada/Prince Edward Island Farm Business Management Agreement for farm managers and their families to develop more competitive business skills.

The interest in producer management clubs on Prince Edward Island has continued over the past year with the formation of five new clubs. This brings to a total of 17 the number of such clubs, 16 of which were quite active over the past year. Over 200 farm managers have been involved and taken part in many different club activities. The department's main role has been to promote and introduce the concept, facilitate the start, supply background support, including resource persons, and to otherwise provide encouragement and leadership where necessary.

One-to-one assistance is provided to farm managers by staff. The advice and assistance is used by farm managers to deal with issues ranging from very specific production questions to evaluating and implementing long term planning to deal with major changes facing the farm business.

During the year, staff members made over 1,100 farm calls, had 200 enquiries related to business planning, and over 80 enquiries related to financial planning or analysis.

Over 30 percent of the contracts made were with dairy producers while over 20 percent were with potato producers. Contacts with beef and swine farmers each accounted for about 15 percent of the total.

A "Year 2000 Awareness Project" distributed over 1,600 Year 2000 Preparation and Action Kits to Prince Edward Island farmers. The kit enables a farm manager to conduct an initial assessment of all farm computer-based systems and equipment. Attention was drawn to the services available locally to completely assess each farm's needs in this respect.

Quality control of all lab analysis continued as a very high priority in this program and the Soil and Feed Lab continued to excel in the various sample check programs in which it participated.

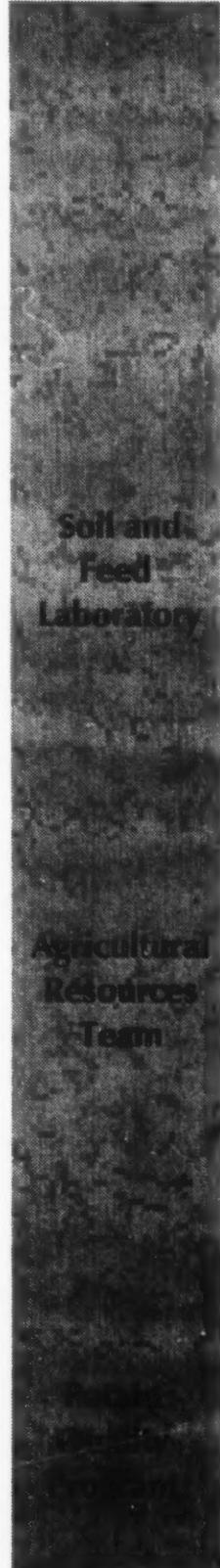
It is now one of only two labs in Canada certified in the analysis of manure and has achieved a ranking of 7th out of 196 participating North American laboratories involved in the Association of American Feed Control Officials program. The lab also received a certificate of achievement from the North American Proficiency Testing Program and was again certified by National Forage Testing Association.

The past year also saw one staff member pass the North American Standard to become a certified crop advisor as well as another staff member being successful in passing seed accreditation exams. This will allow the lab to become accredited in seed germination.

The Agricultural Resources Team primarily provides production information support to the agricultural sector. The team, which includes crop specialists, livestock specialists, and agricultural engineers conducts a range of activities to support agriculture in Prince Edward Island. In addition to 'traditional' extension activities such as preparing and distributing factsheets and newsletters, organizing field tours and workshops, and providing quality production information to farmers, the team is involved in a number of special projects. Some of these include the Maritime Beef Marketing project, the Cranberry Development Program, and the Agricultural Industry Transition Program.

The team is in the forefront in the development and provision of solutions to soil and water sustainability issues by actively supporting the Environmental Farm Planning Program and implementing the Provincial Soil Monitoring System. The addition of an Integrated Pest Management Specialist to the team during the year has enhanced the division's expertise in sustainable agriculture.

Potato Quality Section draws its mandate from the *Plant Health Act*. Activities of the section include delivery of the Potato Disinfection Program which sees approximately twenty thousand trucks disinfected and 8500 farm visits carried out each year. Started in 1997, cost recovery for the transport truck phase of the disinfection program saw its first full year of operation in 1998. The \$10 per truck





Dairy Laboratory

fee will result in the collection of approximately \$200,000 by the section each year.

Enforcement of the Cull Burial and Minimum Seeding Programs are the responsibility of this section. Two-hundred and fifty farm visits were made and 52 farm audits were completed during the year. No charges were laid for improper disposal of culage, but one charge was laid for failure to register production with Potato Quality Institute as is required by the *Plant Health Act* regulations.

The section was also responsible for the approval of 3690 cwt of seed in eleven applications for seed importation and planting. New regulations were introduced in 1998 which call for the post harvest laboratory virus testing of all seed lots planted in the province. A companion program of supervised sampling of all lots to be virus tested was introduced in 1998. The section was responsible for the collection of 1,100 seed samples for post harvest testing.

The Dairy Lab Section provides for the administration and enforcement of the *Dairy Industry Act* and regulations. During the fiscal year, 234 farm inspections were conducted, 114 re-inspections were carried out and 531 on-farm milk quality calls were made by inspection staff. In addition, 12 licensed milk processing plants were inspected with follow-up inspections conducted as required.

During 1998, five pesticides regulatory inspectors made 581 unscheduled visits to private and/or commercial premises to check for compliance under the *Pesticides Control Act*. Continued operation of the department's 1-800 pesticide regulatory line facilitated the investigation of an additional 55 public complaints related largely to spray drift or improper notification. To date, more than 3000 people have received pesticide applicator certification, including some 600 individuals who were re-certified in 1998.

The Plant Health Services unit conducted a broad-based research program and generated new knowledge to support the competitive position of Prince Edward Island produce in regional, national and international markets. Research focussed on the adaptation of innovation and sustainable crop production and crop protection systems. A new study was initiated to identify the biological factors contributing to the quality and conservation of agricultural soils. Overall, the research program coupled with the laboratory-based services currently on offer (plant disease diagnosis, aphid alert program, the pest-info and e-mail hotlines, a new Internet-based service) is designed to complement the needs of agricultural producers in Prince Edward Island.

Forestry Division

The Forestry Division provides advice and assistance to woodlot owners and other clients such as forest contractors, wood products manufacturers, and forest resource users. Efforts are directed toward the sustainable development of both private land and Crown land forests, as well as providing support programs such as the provision of technical advisory services and assistance to specialty forest product manufacturers; the production of tree seedlings for reforestation programs on private and Crown lands and special reforestation projects; and forest inventory and tree improvement programs. Forest fire suppression on private and Crown lands is also the responsibility of the Forestry Division.

In 1998, the Forestry Division continued to work with the Forest Partnership Council (FPC), which has representation from woodlot owners, sawmillers, harvest contractors and environmental groups, as well as government, to develop strategies which deal with the issues facing Prince Edward Island's private land forest resources.

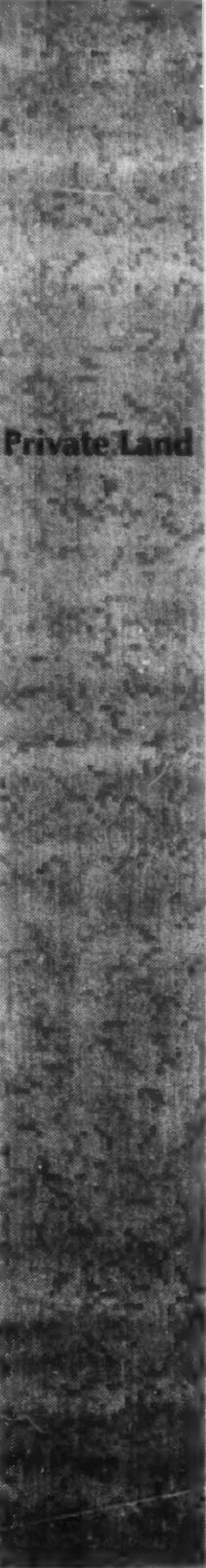
The Forest Partnership Council released the monitoring results from the voluntary Code of Practice for Forest Contractors which was introduced in 1997. Contractors who agreed to abide by the voluntary Code were required to report all harvest areas to the Forestry Division. Harvest sites were selected at random and monitored to determine if contractors were following the Code and where problem areas existed. Each site was assessed for factors such as stand age, soil ruts, wildlife corridors and cover patches, and product utilization. Random monitoring was also extended to contractors who did not register under the Code, but whose harvest sites were known.

Monitoring results indicated that, overall, the harvest industry did not comply because only 19 of Prince Edward Island's 46 harvest contractors signed up and agreed to abide by the Code of Practice. While 60 percent of all monitored sites had no infractions or only minor violations, 40 percent of sites failed for major violations such as cutting underaged stands, leaving litter on-site, and cutting or using equipment in stream buffer zones.

With the failure of the voluntary Code, council members recommended that the Code be enforced through regulations under the Forest Management Act. The Council recommended standards be enacted for the Island commercial harvest industry because contractors do 95 percent of the harvest work on private lands. In June 1998, Government introduced amendments to the Forest Management Act which supported a regulated Forest Contractors Code of Practice.

However, before implementing regulations under the amended Act, the Province asked the Forest Partnership Council to conduct additional public and stakeholder consultations on the Forest Contractors Code of Practice recommendation. The Council held several stakeholder consultations and three province-wide public consultations. Based on the concerns and suggestions raised at these sessions, the Council revised its proposal and presented its final recommendations to government in November 1998.

Private Land



Work continued on the development of the Provincial Forest System for Prince Edward Island. The Provincial Forest concept was developed to enable the Province to enhance the economic and operational efficiencies obtained with the management of large forest blocks while ensuring that these forests are managed to ensure long-term wood supply, recreation opportunities, training facilities, job creation, and other societal needs. Regulations to establish the Provincial Forest System should be enacted in 1999.

The Crown Land program coordinates the tree planting program for private and government owned lands in the three districts. In 1998, 273,400 tree seedlings were planted on 102 ha of the government owned lands assigned to Forestry Division. Three kilometers of new forest access roads were constructed in 1998, while 70 km of roads were maintained or upgraded on Crown lands.

Under the supervision of Crown Land staff, 125 workers from the Employment Development Agency (EDA) were employed to enrich government owned lands assigned to the Forestry Division. EDA staff completed 175 ha of manual plantation maintenance, thinned 6.7 hectares of red pine and pruned 4.9 hectares of plantation to improve sawlog quality.

An additional 39 ha of chemical plantation maintenance was conducted under contract to the private sector as well as the harvest of 11.4 ha of over-mature timber. Revenues from the tender of standing timber and harvested wood sales brought in \$227,000 in 1998.

In order to improve or upgrade the work standards for Employment Development Agency crews, the Crown Land program developed a standardized Silviculture Worker Lesson Plan for all workers. Staff capability in the areas of conflict resolution and enforcement was improved.

Despite a long dry period and a bad multiple fire start, the incidence of uncontrolled wildfire was very low in 1998. Only 24 fires, which burned 77 ha, were reported. The capability of the automated forest fire weather collection system was tested and demonstrated using Geographical Information System-based dispatch tools. Crown land staff were actively involved in the establishment of three weather zone stations which will be used to develop and predict forest weather conditions for the province.

Staff also developed and implemented a training workshop on foam delivery systems and started installation of forest fire foam systems on fire tankers. The Basic Forest Fire Suppression Course was transferred to the districts and courses were offered at Belfast, Mount Stewart, Kensington, and Lennox Island.

In order to encourage increased activities in the Island's wood products sector, the Forestry Division provides value-added, secondary manufacturers with advice and assistance designed to improve their manufacturing and marketing capabilities. In March of 1999, the Forestry Division hosted a Prince Edward Island wood industry networking seminar titled "Technology and Wood Products Manufacturing" which was designed to introduce technological changes and concepts, such as using Internet technology, to local business and develop new markets and networks for the Island's wood products manufacturing sector.

The Specialty Products program also hosted a "Small Scale Commercial Maple Syrup Seminar" to foster the development of more maple products. Prince Edward Island's maple sector has room to expand in traditional areas such as the

production of maple syrup products or expanded opportunities through the promotion of maple dinners and recreation options.

The Forestry Division continues to produce quality tree seedlings for reforestation projects, as well as to serve as a wholesale ornamental tree and shrub nursery supplying the retail landscape trade in the province. In 1998, some 2.5 million seedlings, representing 14 softwood species and six hardwood species were planted on cutovers and special-needs areas across the province.

Some 620 people toured the J. Frank Gaudet Tree Nursery facility in 1998. The nursery also offered advice and assistance on insect and disease problems for ornamental plants, trees and shrubs, as well as advice on landscape problems to thousands of property owners and provided insects and disease analysis for 370 samples. Extension staff also made 30 site visits with landscapers and Island communities to provide detailed information on landscaping and plant health issues.

Nursery staff developed and delivered a 30-hour Ornamental Horticulture course for golf courses through the Atlantic Tourism and Hospitality Institute. This course will help golf course developers and staff establish and maintain plant materials which enhance and promote the value of golf courses.

Work began on preparations for the Year 2000-02 Comprehensive Land Use Inventory. The last comprehensive forest inventory was conducted in 1990 with two updates in 1994 and 1997. While the 1994 and 1997 updates only looked at changes brought about by forest harvest and agriculture conversions, the Year 2000 Inventory will include changes in forest cover type, forest harvest and conversion information, agricultural land use trends, riparians zone data and other planning information required by a wide range of government departments and agencies, resource user groups and those who have a stake in Prince Edward Island's natural resources.

Forest inventory staff also conducted a survey of older Norway Spruce plantations to determine which Island sites experienced the greatest damage from the White Pine Weevil. The study found that there is no apparent relationship between weevil damage and seed source or weevil attack and leader diameter. While the results are considered to be preliminary and will require long term monitoring, the information contained in the report will help forest managers to identify problem areas and reduce damage caused by this insect.

The Silviculture Development section also released a study on Prince Edward Island Forest Succession from 1935-1990. The study included interpretation of aerial photographs from 1935 and 1936 to determine forest boundaries and obtain data on the dominant forest cover types at that time. This information was compared with data from the 1990 forest inventory and the forest plant community study to provide a picture of Island forest succession patterns. The study found that with the exception of Black Spruce sites, over time most sites will be dominated by hardwood species. Therefore, it is likely that old field White Spruce stands will decline significantly and that wildlife species which depend on conifers will be forced to rely on Black Spruce stands and softwood plantations in future.

The Tree Improvement program conducts research into the improvement of commercial tree species, establishment of gene banks for rare native trees, and the performance of non-native trees in Island forest conditions. In 1998, tree im-





vement staff conducted three Eastern White Pine Provenance Trials, two for Corsican Pine and two for European White Birch.

Work also continued to introduce new plus tree selections into tree improvement seed orchards. A total of 920 selections, from seven native tree species, one white pine selection from Nova Scotia and one Japanese larch trial were grafted to produce improved seed for future reforestation efforts. Quality seed was collected from special plantations and natural sites across the Island for species such as Norway Spruce, Eastern White Cedar, Sugar Maple, Yellow Birch, and Eastern Hemlock.

The Gene Conservation project collected seed from Eastern White Cedar, Ironwood, and Red Oak. A special Beech seed collection was made from six sites which had canker-free Beech trees.